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FACING THE ECONOMIC FACTS -- AND THE OPPORTUNITIES

NOTES FOR AN ADDRESS BY

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TO THE ST-LAURENT KIWANIS CLUB

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1. I WOULD LIKE TO SPEAK TO YOU TODAY ABOUT OUR CURRENT ECONOMIC SITUATION, WHICH WE MUST CONFRONT IN AN ENLIGHTENED WAY, AND ALSO ABOUT OUR NEED TO EXPLOIT EVERY OPPORTUNITY WE ARE OFFERED.

IT IS TRUE THAT:

- THE CURRENT ECONOMIC FACTS ARE NOT PLEASANT FOR CANADA.
- OUR GROSS NATIONAL PRODUCT MEASURED IN CONSTANT DOLLARS HAS DECLINED BY 6% FROM ITS LEVEL OF JUNE 1981.
- OUR UNEMPLOYMENT RATE IS MORE THAN 12% NATIONALLY, AND MUCH HIGHER THAN THAT IN PARTICULAR REGIONS AND INDUSTRIES.
- OUR ECONOMY HAS LOST NEARLY 500,000 JOBS IN THE PAST YEAR.

WE ARE EXPERIENCING DOUBLE DIGIT INFLATION AS INDICATED BY THE CONSUMER PRICE INDEX.

AND THE FEDERAL GOVERNMENT DEFICIT WILL SUBSTANTIALLY EXCEED THAT FORECAST LAST YEAR, AS A CONSEQUENCE OF THE POORER-THAN-EXPECTED PERFORMANCE OF THE ECONOMY.

HOUSING STARTS ARE AT THEIR LOWEST RATE IN YEARS, AT AN ANNUAL RATE OF ABOUT 75,000, IN COMPARISON TO PEAK RATES OF 250,000 OR MORE STARTS RECORDED SEVERAL TIMES THROUGHOUT THE 1970'S.

THERE IS GENERAL AGREEMENT AMONG ECONOMISTS, BUSINESSMEN, GOVERNMENT AND LABOUR THAT OUR ECONOMY IS NOT OPERATING UP TO ITS POTENTIAL.

FROM TIME TO TIME, THE MEDIA AND POLITICAL COMMENTATORS HAVE EVEN ATTEMPTED TO DRAW PARALLELS TO, AND MAKE COMPARISONS WITH, THE DEPRESSED YEARS OF THE 1930'S.

2. IT IS INDEED NECESSARY THAT WE FACE THE ECONOMIC REALITY FULLY -- WITHOUT DEFENSIVENESS OR ILLUSION. BUT WE MUST BE SURE THAT WE DO NOT LIMIT OUR ATTENTION ONLY TO THOSE CONSIDERATIONS THAT PORTRAY GLOOM AND DOOM AND THAT WE DO NOT ASSESS CANADA'S ECONOMIC PROBLEMS IN ISOLATION FROM THE FACTS AND OPPORTUNITIES OF THE WORLD ECONOMY.

TO ACT EFFECTIVELY AS A NATION, WE MUST CONSIDER OUR OWN CIRCUMSTANCES IN COMPARISON WITH OTHER COUNTRIES. WE MUST UNDERSTAND THE REAL IMPACT ON CANADA OF INTERNATIONAL TRADE, INTERNATIONAL INVESTMENT AND FINANCE, AND INTERNATIONAL TECHNOLOGICAL DEVELOPMENTS.

3. ONE MAJOR ADVANTAGE WE HAVE IN RELATION TO THE 1930'S IS THAT OF A MUCH MORE ADVANCED AND COMPREHENSIVE STATISTICAL INFORMATION SYSTEM. CANADA HAS ONE OF THE MOST HIGHLY DEVELOPED STATISTICAL SYSTEMS IN THE WORLD. THE DATA FROM STATISTICS CANADA ON INFLATION AND UNEMPLOYMENT HAVE NOT BEEN PLEASANT -- BUT, NONETHELESS, WE KNOW THAT WE CAN RELY FULLY ON THOSE STATISTICS AS REPRESENTING THE HIGHEST PROFESSIONAL STANDARDS. FOR INSTANCE, OUR CONSUMER PRICE INDEX IS A SOLID MEASURE OF PRICE CHANGES. AND IT CONTINUES TO BE APPROPRIATE IN TODAY'S SITUATION SINCE IT INCORPORATES ALLOWANCES FOR DISCOUNTS AND STORE SPECIALS. OUR LABOUR FORCE SURVEY PROVIDES DETAILED INFORMATION NOT ONLY ON AGGREGATE EMPLOYMENT AND UNEMPLOYMENT, BUT ALSO ON STUDENTS IN THE LABOUR FORCE, DISCOURAGED WORKERS, FEMALE PARTICIPATION, AND SO ON. ANOTHER PRODUCT WHICH HAS RECENTLY BEEN MADE AVAILABLE IS STATISTICS CANADA'S LEADING INDICATOR, WHICH IS A MONTHLY STATISTICAL INDEX MADE UP OF THOSE KEY ECONOMIC SERIES THAT, IN THE PAST, HAVE TENDED TO ANTICIPATE DEVELOPMENTS IN THE ECONOMY AS A WHOLE.

AS WE ALL KNOW, INFORMATION IS A CRUCIAL REQUIREMENT FOR EFFECTIVE POLICY AND ACTIONS. WE MUST FULLY EXPLOIT THE INSIGHTS OF OUR STATISTICAL INDICATORS -- AND RESIST THE URGE TO SHOOT THE MESSENGER WHEN HE BRINGS NEWS WE MAY NOT LIKE.

SOME OF MY REMARKS TODAY WILL ILLUSTRATE THE VALUE OF OUR INFORMATION BASE. BUT, YOU MIGHT YOURSELF CONSIDER HOW MUCH WE HAVE ALL COME TO TAKE FOR GRANTED, AND TO DEPEND UPON, THE PERIODIC ECONOMIC INFORMATION OUR STATISTICIANS DEVELOP ON ECONOMIC ACTIVITY, EMPLOYMENT, BALANCE OF PAYMENTS, INFLATION, MERCHANDISE TRADE, INVESTMENT, -- AS WELL AS THE HOST OF CRUCIAL DEMOGRAPHIC AND SOCIAL DATA.

4. HOW DO CANADA'S CURRENT ECONOMIC CIRCUMSTANCES COMPARE WITH THOSE OF OTHER COUNTRIES, SPECIFICALLY IN RELATION TO THE MEMBERS OF THE OECD, THE ORGANIZATION FOR ECONOMIC COOPERATION AND DEVELOPMENT, WHICH INCLUDES FRANCE, WEST GERMANY, ITALY, GREAT BRITAIN, CANADA, THE UNITED STATES AND JAPAN, AMONG OTHERS?

COMPARISONS OF CANADA WITH THE OECD NATIONS PROVIDE IMPORTANT FOOD FOR THOUGHT.

FIRST, WE ARE NOT ALONE IN EXPERIENCING ECONOMIC PROBLEMS.

NONE OF THE OECD COUNTRIES IS DOING WELL IN TERMS OF ECONOMIC GROWTH, REDUCING UNEMPLOYMENT, JOB CREATION, INFLATION OR PRODUCTIVITY -- NOT EVEN JAPAN, THOUGH ITS ECONOMIC INDICATORS ARE BETTER THAN MOST. CANADA'S RELATIVE POSITION ON SOME MEASURES HAS WORSENED IN RECENT MONTHS.

HOWEVER, IN SOME RESPECTS, CANADA'S PERFORMANCE IS NOT SO BLEAK:

- OUR PERSONAL SAVINGS RATE, AT ALMOST 13% OF PERSONAL DISPOSABLE INCOME, IS AMONG THE HIGHEST. WHILE SOME HAVE ARGUED THAT THIS IS DEPRESSING CONSUMPTION AND HENCE OUR ECONOMIC ACTIVITY, OUR HIGH SAVINGS RATE IS PROVIDING A SOLID BASE FOR ECONOMIC INVESTMENT AS EFFECTIVE TARGETS EMERGE. THIS FLEXIBILITY WILL BE AN IMPORTANT FEATURE OF THE CANADIAN ECONOMY IN FUTURE MONTHS.

- AND THOUGH OUR GOVERNMENT DEFICIT IS LARGE, WE SHOULD BE AWARE THAT OUR DEFICIT, AS A PERCENT OF GROSS NATIONAL PRODUCT, IS AMONG THE LOWEST, IF NOT <u>THE</u> LOWEST, OF ANY COUNTRY IN THE OECD.

- CANADA, AS WE ALL KNOW, REMAINS RICH IN RESOURCES. WE HAVE DOMESTIC SUPPLIES OF ENERGY, MINERAL COMMODITIES AND FOOD. WE ARE NOT ONLY ABLE TO MEET OUR OWN REQUIREMENTS, BUT WE HAVE A HEALTHY EXPORT TRADE IN THESE AREAS.

- INDEED, WE HAVE CURRENTLY, AND TYPICALLY, A SUBSTANTIAL SURPLUS IN OUR BALANCE OF MERCHANDISE TRADE. OVER THE LAST 3 MONTHS, THE VALUE OF GOODS WE EXPORTED WAS IN EXCESS OF THAT WHICH WE IMPORTED BY ALMOST FOUR AND ONE HALF BILLION DOLLARS. THIS IS NOT ONLY INDICATIVE OF OUR DEPENDENCE ON EXTERNAL TRADE BUT ALSO OF OUR STRONG ECONOMIC POTENTIAL.

5. I HAVE EMPHASIZED OUR TRADE CIRCUMSTANCES AS ESPECIALLY IMPORTANT TO CANADA.

BUT CANADA IS A SMALL COUNTRY IN TERMS OF POPULATION. FURTHERMORE, OUR RECENT CENSUS FIGURES SHOW THAT POPULATION GROWTH IS SLOW AT A RATE OF JUST OVER 1% PER YEAR.

THUS, IF WE ARE TO RETAIN OUR HIGH STANDARD OF LIVING, WE MUST WORK VIGOROUSLY TO ASSURE OUR CONTINUING COMMERCIAL VIABILITY IN WORLD MARKETS.

BUT WE MUST NOT BE LULLED INTO A FEELING OF COMPLACENCY BY OUR TRADE SURPLUS. THAT SURPLUS STEMS FROM LARGE NET EARNINGS FROM OUR TRADE IN FOOD PRODUCTS, CRUDE MATERIALS AND SEMI-FINISHED GOODS. HOWEVER, CANADA STILL RUNS A PERSISTENTLY LARGE DEFICIT IN FINISHED GOODS.

SINCE IT IS GENERALLY TRUE THAT THE MANUFACTURING OF FINISHED PRODUCTS TENDS TO PROVIDE FOR MORE JOB CREATION THAN RESOURCE DEVELOPMENT, IT SEEMS CLEAR THAT WE MUST SEEK OUT OPPORTUNITIES AND METHODS SELECTIVELY TO DEVELOP OUR MANUFACTURING CAPACITY.

AND, AT THE SAME TIME, WE MUST MAKE OUR INTERNATIONAL MARKETING EFFORTS MORE EFFECTIVE -- BOTH TO IMPROVE OUR CURRENT MARKET SHARES AND TO IDENTIFY ADDITIONAL MARKETS WHEREIN CANADA CAN BE COMPETITIVE.

MOREOVER, WE MUST EXAMINE CREATIVELY THE PATTERNS OF OUR IMPORTS TO IDENTIFY TARGETS FOR IMPORT REPLACEMENT TO HELP STIMULATE OUR ECONOMY AND BUILD OUR MANUFACTURING CAPACITY.

6. THIS LEADS US DIRECTLY TO THE QUESTION OF THE RELATIONSHIP OF IMPORTS TO THE OWNERSHIP STATUS OF THE FIRM DOING THE IMPORTING. A RECENT STATISTICS CANADA STUDY HAS REVEALED SOME INTERESTING CHARACTERISTICS OF THE FIRMS OPERATING IN CANADA.

IN 1978, FOREIGN-CONTROLLED FIRMS ACCOUNTED FOR 72% OF OUR IMPORTS. WHILE THE VALUE OF IMPORTS FOR CANADIAN-CONTROLLED FIRMS WAS ONLY 4.3% OF SALES, THE VALUE OF IMPORTS FOR THE FOREIGN-CONTROLLED FIRMS WAS 22% OF SALES.

IN MANUFACTURING, A SECTOR WHICH ACCOUNTS FOR TWO-THIRDS OF ALL IMPORTS, THE DIFFERENCES IN IMPORT BEHAVIOUR WERE EVEN MORE PRONOUNCED. FOREIGN-CONTROLLED FIRMS IMPORTED 29% OF SALES WHILE CANADIAN FIRMS HAD A RATIO OF ONLY 8%.

THUS WE SEE THAT FIRMS UNDER FOREIGN CONTROL TEND TO IMPORT MORE THAN THOSE UNDER CANADIAN CONTROL. AND, IN THIS CONNECTION, IT IS QUITE SIGNIFICANT THAT CANADA HAS THE HIGHEST PROPORTION OF ITS INDUSTRY UNDER FOREIGN OWNERSHIP AND CONTROL OF ANY INDUSTRIALIZED COUNTRY IN THE WORLD.

7. NOW LET ME TURN FROM THIS THUMB-NAIL SKETCH OF ECONOMIC FACTS TO THE QUESTION OF WHAT WE CAN DO, AND SPECIFICALLY, WHAT THE GOVERNMENT CAN DO?

ON THE INFLATION FRONT, THE JOINT EFFORTS OF FEDERAL, PROVINCIAL AND MUNICIPAL GOVERNMENTS, THE PRIVATE SECTOR, THE PUBLIC, AND EVEN MANY LABOUR LEADERS HAVE BEEN MOST HEARTENING. THE 6 AND 5 PER CENT PROGRAM IS ALREADY BEARING IMPORTANT FRUIT. NOT ONLY IS IT HAVING DIRECT IMPACT IN RESTRAINING INFLATIONARY PRICE AND WAGE INCREASES, AND IN REDUCING INFLATIONARY EXPECTATIONS, IT IS ALSO SERVING AS A VEHICLE FOR ACTIVE COMMUNICATION AND COOPERATION AMONG ALL THE ELEMENTS OF OUR DIVERSE SOCIETY.

IN TERMS OF THE CONSUMER PRICE INDEX, SEPTEMBER FIGURES SHOWED THE LOWEST YEAR-OVER-YEAR RISE SINCE JULY 1980 -- A FULL 2.6 PERCENTAGE POINTS DOWN FROM THE PEAK OF 13.0 IN JULY 1981.

FURTHERMORE, THE INDUSTRY SELLING PRICE INDEX, WHICH NORMALLY LEADS THE CONSUMER PRICE INDEX, ROSE BY JUST 5.1% OVER THE LAST 12 MONTHS. INDEED, THE AUGUST FIGURE SHOWED AN ACTUAL DECLINE FROM JULY.

AND INTEREST RATES HAVE DROPPED SUBSTANTIALLY. FROM A PEAK OF OVER 21% IN AUGUST 1981, THE BANK RATE IS CONTINUING TO FALL. IT NOW STANDS AT LESS THAN 12%.

8. INVESTMENT IN PRODUCTIVE ECONOMIC ACTIVITY IS ESSENTIAL TO OUR ECONOMIC RECOVERY. HOWEVER, WE HAVE SEEN THAT WE MUST CONTINUE OUR EFFORTS TO ASSURE THAT FOREIGN INVESTMENT IN CANADA -- WHICH WE STRONGLY DESIRE AND ENCOURAGE -- MUST BE TARGETTED AND MANAGED SO THAT CANADA BENEFITS TO THE GREATEST DEGREE POSSIBLE -- IN JOBS, IN SPIN-OFF ECONOMIC GROWTH, IN REGIONAL DEVELOPMENT, IN TRADE RELATIONS -- AT THE SAME TIME AS THE MULTI-NATIONAL FIRMS PURSUE THEIR GOALS AND PROFITS. THUS, I FULLY SUPPORT THE CONCEPT OF FIRA -- OUR FOREIGN INVESTMENT REVIEW AGENCY. PERHAPS LIKE ALL BUREAUCRACIES, ITS WORK CAN BE STREAMLINED, BUT ITS ROLE IS ESSENTIAL AND IN THE LONG-RUN SERVES THE PUBLIC INTEREST OF CANADA.

9. IN 1981, FEDERAL GOVERNMENT PROCUREMENT AMOUNTED TO 4.8 BILLION, AND THE TOTAL FOR ALL GOVERNMENTS COMES TO OVER 40 BILLION. ALONG WITH MY PROVINCIAL COUNTERPARTS, I AM IN A GOOD POSITION, AS MINISTER OF SUPPLY AND SERVICES, TO SEE THAT SUCH PROCUREMENT IS BENEFICIAL TO OUR NATIONAL AND REGIONAL ECONOMIC DEVELOPMENT. A DETAILED STATISTICAL STUDY OF GOVERNMENT PROCUREMENT IS CURRENTLY BEING UNDERTAKEN TO UPDATE A 1974 STUDY. THE RESULTS WILL HELP US TO ENSURE THAT OUR PURCHASING PRACTICES BEST SERVE THE COUNTRY'S INTERESTS. WE ARE ALSO WORKING DIRECTLY TO IDENTIFY IMPORT REPLACEMENT OPPORTUNITIES AND TO ENCOURAGE CANADIAN ACTIVITIES TO EXPLOIT SUCH OPPORTUNITIES.

IN ADDITION TO THIS DIRECT ACTION, STATISTICS CANADA, IN COOPERATION WITH OTHER DEPARTMENTS OF GOVERNMENT, IS STUDYING THE DETAILED PATTERNS OF ALL CANADIAN IMPORTS. AND THESE STATISTICS WILL PROVIDE GUIDANCE FOR THE PRIVATE SECTOR TOWARD EFFECTIVE IMPORT REPLACEMENT INITIATIVES.

10. OF COURSE, IMPORT REPLACEMENT, WHILE IMPORTANT, IS NOT ENOUGH. WE MUST BE EFFECTIVE IN REACHING WORLD MARKETS. TO BE COMPETITIVE IN EXTERNAL TRADE, OUR PRODUCTION MUST BE RELIABLE, OF HIGH QUALITY, WITH COMPETITIVE PRICES. BUT EVEN THAT IS NOT ENOUGH! WE NEED CREATIVE INTERNATIONAL MARKETING, AN AREA WHERE OUR RECORD NEEDS IMPROVEMENT! NOT ONLY MUST WE UPGRADE OUR SALESMANSHIP FOR CURRENT CANADIAN PRODUCTS, WE ALSO NEED TO INVESTIGATE AND ANTICIPATE WORLD MARKET REQUIREMENTS WHICH CANADA CAN EFFICIENTLY SERVE.

THE SPECIFIC EXPLOITATION OF INTERNATIONAL MARKETING MUST, OF COURSE, BE PURSUED, BASICALLY, BY THE PRIVATE SECTOR. HOWEVER, I BELIEVE THAT GOVERNMENT HAS A CRUCIAL ROLE TO PLAY -- IN ENCOURAGING, IN COORDINATING, IN PROVIDING INCENTIVES, IN DEVELOPING INFORMATION; IN SHORT, IN BEING A CATALYTIC AGENT FOR THE ACTIONS AND INTERACTIONS OF CANADIAN FIRMS PURSUING INTERNATIONAL TRADE.

11. THE LAST AREA FOR ACTION I WILL IDENTIFY TODAY IS PERHAPS ONE OF THE MOST FUNDAMENTAL, SPECIFICALLY CANADIAN SCIENTIFIC RESEARCH AND TECHNOLOGY DEVELOPMENT. IT IS NOT TOO EXTREME TO SAY THAT OUR FUTURE HIGH STANDARD OF LIVING IN CANADA WILL DEPEND MORE ON OUR MASTERY OF INDUSTRIAL TECHNOLOGY THAN ON OUR ACCESSIBILITY TO BOUNTIFUL NATIONAL RESOURCES. WE ARE BLESSED WITH AN ENERGETIC, WELL-EDUCATED AND SCIENTIFICALLY VIGOROUS POPULATION. BUT WE MUST BE KEENLY SENSITIVE TO THE FACT THAT SCIENCE AND TECHNOLOGY ARE AREAS OF ENORMOUSLY RAPID EVOLUTION. THE TECHNOLOGICAL LEADERSHIP OF THE UNITED STATES, CANADA, GREAT BRITAIN AND OTHER EUROPEAN COUNTRIES OF 20 YEARS AGO IS BEING SELECTIVELY CHALLENGED NOT ONLY BY RUSSIA AND JAPAN BUT ALSO BY TAIWAN, KOREA, SINGAPORE, AND HONG KONG AMONG OTHERS. CANADA'S ECONOMIC STATUS DEPENDS CRITICALLY ON OUR MAINTAINING A WORLD STATUS IN RESEARCH AND DEVELOPMENT.

CANADA'S EMPHASIS ON RESEARCH AND DEVELOPMENT HAS BEEN LOW IN COMPARISON TO OTHER OECD COUNTRIES. IN 1979 OUR RESEARCH AND DEVELOPMENT EXPENDITURES WERE ONLY 1.0% OF OUR GROSS DOMESTIC PRODUCT VERSUS 2.4% FOR THE UNITED STATES, 1.8% FOR FRANCE AND 2.0% FOR JAPAN. THESE DIFFERENCES MAY, AT FIRST GLANCE, SEEM SLIGHT. HOWEVER, THE ACTUAL DOLLARS INVOLVED PUT CANADA AT A DISTANT FOURTH. IN 1979, THE UNITED STATES SPENT 56.6 BILLION DOLLARS; JAPAN 18.2 BILLION, FRANCE ALMOST 8 BILLION AND, CANADA A MERE 2.5 BILLION.

THE GOVERNMENT HAS FORMULATED AND IS VIGOROUSLY IMPLEMENTING, A POLICY IN SUPPORT OF OUR SCIENTIFIC DEVELOPMENT, WITH SPECIFIC TARGETS FOR 1985. FURTHERMORE, WE HAVE RECOGNIZED THE NEED TO ESTABLISH A MORE COMPREHENSIVE DATA BASE FOR SCIENCE AND TECHNOLOGY WORK IN CANADA AND THIS INFORMATION PROGRAM IS CURRENTLY BEING FORMULATED.

ALL THESE EFFORTS APPEAR TO BE PAYING OFF. RESEARCH AND DEVELOPMENT EXPENDITURES ARE NOW AT 1.3% OF GROSS DOMESTIC PRODUCT VERSUS THE 1.0% I JUST MENTIONED FOR 1979.

ONCE AGAIN, THE SPECIFIC INITIATIVES IN RESEARCH AND DEVELOPMENT MUST, LARGELY, BE IN THE HANDS OF UNIVERSITIES, RESEARCH INSTITUTES AND THE PRIVATE SECTOR. BUT GOVERNMENT ACTION IS ESSENTIAL: TO PROVIDE INCENTIVES, COORDINATION AND LEADERSHIP, TO PROVIDE INTEGRATED INFORMATION, AND TO ASSURE THAT THE RESEARCH AND DEVELOPMENT ACTIVITIES OF OUR MULTINATIONAL FIRMS DO NOT LEAVE CANADA WITH INADEQUATE COVERAGE OF CERTAIN SCIENTIFIC SECTORS.

WHAT I AM REFERRING TO IN THIS LAST COMMENT IS THE FACT THAT MULTINATIONAL FIRMS TEND TO CONCENTRATE THEIR RESEARCH AND DEVELOPMENT WORK, TYPICALLY OUTSIDE OF CANADA AND TO "IMPORT" THE RESULTS AS ADVANTAGEOUS TO THE FIRM. IT IS QUITE UNDERSTANDABLE THAT THESE CORPORATIONS WOULD FIND SUCH PRACTICES DESIRABLE, BUT THIS MEANS THAT THE CANADIAN GOVERNMENT MUST ACT TO ASSURE THAT WE DO NOT HAVE DISADVANTAGEOUS GAPS IN CANADIAN MASTERY OF SCIENCE AND TECHNOLOGY.

12. LET ME SUMMARIZE. CANADA ALONG WITH ALL THE INDUSTRIALIZED WESTERN COUNTRIES IS INDEED EXPERIENCING ECONOMIC PROBLEMS. BUT WE ARE NEITHER HELPLESS NOR WITHOUT HOPE. WE HAVE BASIC ECONOMIC STRENGTHS AND PROMISING OPPORTUNITIES. THE GOVERNMENT'S 6 AND 5 PROGRAM IS ESSENTIAL AND DEVELOPING WELL. WE MUST ENCOURAGE INVESTMENT BUT INSURE THAT FOREIGN INVESTMENT IS FULLY BENEFICIAL TO CANADIAN INTERESTS. WE NEED TO PURSUE OUR OPPORTUNITIES IN IMPORT REPLACEMENT. WE MUST ENHANCE OUR INTERNATIONAL MARKETING. AND OUR LONG-RUN ECONOMIC STATUS DEPENDS UPON A STRONG BASE OF RESEARCH AND DEVELOPMENT.

ALL OF THESE ARE GOVERNMENT POLICIES AND REFLECT MY VIEW OF THE PROPER ROLE OF GOVERNMENT IN OUR DEMOCRATIC, FREE-MARKET SOCIETY: NAMELY, TO ACT AS A CATALYST AND COORDINATOR FOR ECONOMIC ACTIVITY, IDENTIFYING EFFECTIVE TARGETS FOR THE PRIVATE SECTOR, AND ENCOURAGING VOLUNTARY ACTIONS BY INDIVIDUALS AND INSTITUTIONS WHICH WILL AID CANADA AS A WHOLE.

THANK YOU.